

Date: 12/11/2020
Ref: M.C/E.M/232/2020

التاريخ: 2020/11/12
الإشارة: ش.م.أ.ع/232/2020

To: Bursa Kuwait

السادة/ شركة بورصة الكويت المحترمين،،

**Subject: Analyst/Investor Conference Presentation of
Mabaneer's (K.P.S.C) Company for Q3/2020**

**الموضوع: العرض التقديمي لمؤتمر المحللين/المستثمرين لشركة
المباني (ش.م.ك.ع) للربع الثالث للعام/ 2020**

With reference to the aforementioned subject, and as per article No. (8-4-2) "Continuing Obligations in the Premier Market" of Bursa - Kuwait Rule Book issued as per decision No. (1) for year 2018, and since Mabaneer Company has been classified in the Premier Market.

بالإشارة إلى الموضوع أعلاه، وعملاً بأحكام المادة رقم (8-4-2) "الإلتزامات المستمرة للسوق الأول" من قواعد البورصة الصادرة بموجب القرار رقم (1) لسنة 2018، وحيث تم تصنيف شركة المباني ضمن مجموعة السوق الأول.

Kindly be informed that the Analyst/Investor Conference was held on Thursday 12/11/2020, at 2:00 p.m (Kuwait Local Time) through (Live Webcast).

يرجى العلم بأن مؤتمر المحللين/المستثمرين قد إنعقد في يوم الخميس الموافق 2020/11/12، في تمام الساعة الثانية بعد الظهر (بتوقيت الكويت المحلي) عن طريق بث مباشر على (Live Webcast).

Moreover, please note that no material information has been disclosed during the conference.

علماً، بأنه أثناء المؤتمر لم يتم الإفصاح فيه عن أية معلومات جوهرية.

Furthermore, attached is the Analyst/Investor's Conference presentations for the period ended 30/09/2020.

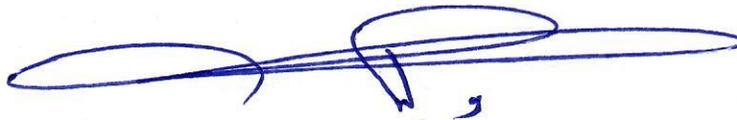
كما نرفق لكم طيه عرض مؤتمر المحللين/المستثمرين عن الفترة المنتهية في 2020/09/30.

This is for your information and notice.

هذا للعلم والإحاطة،،

Best Regards,

وتفضلوا بقبول فائق الاحترام،،



وليد خالد الشريان

الرئيس التنفيذي

Waleed Khaled Al Sharian
Chief Executive Officer

Mabaneer Investors Presentation

Q3

Earnings Conference Call



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Certain statements in this presentation may constitute forward-looking statements. These statements reflect the Company's expectations and are subject to risks and uncertainties that may cause actual results to differ materially and may adversely affect the outcome and financial effects of the plans described herein. You are cautioned not to rely on such forward-looking statements. The company does not assume any obligation to update its view of such risks and uncertainties or to publicly announce the result of any revisions to the forward-looking statements made herein.

CONTENTS



**Section 1
BUSINESS OVERVIEW &
STRATEGY**



**Section 2
OPERATIONAL
PROJECTS**



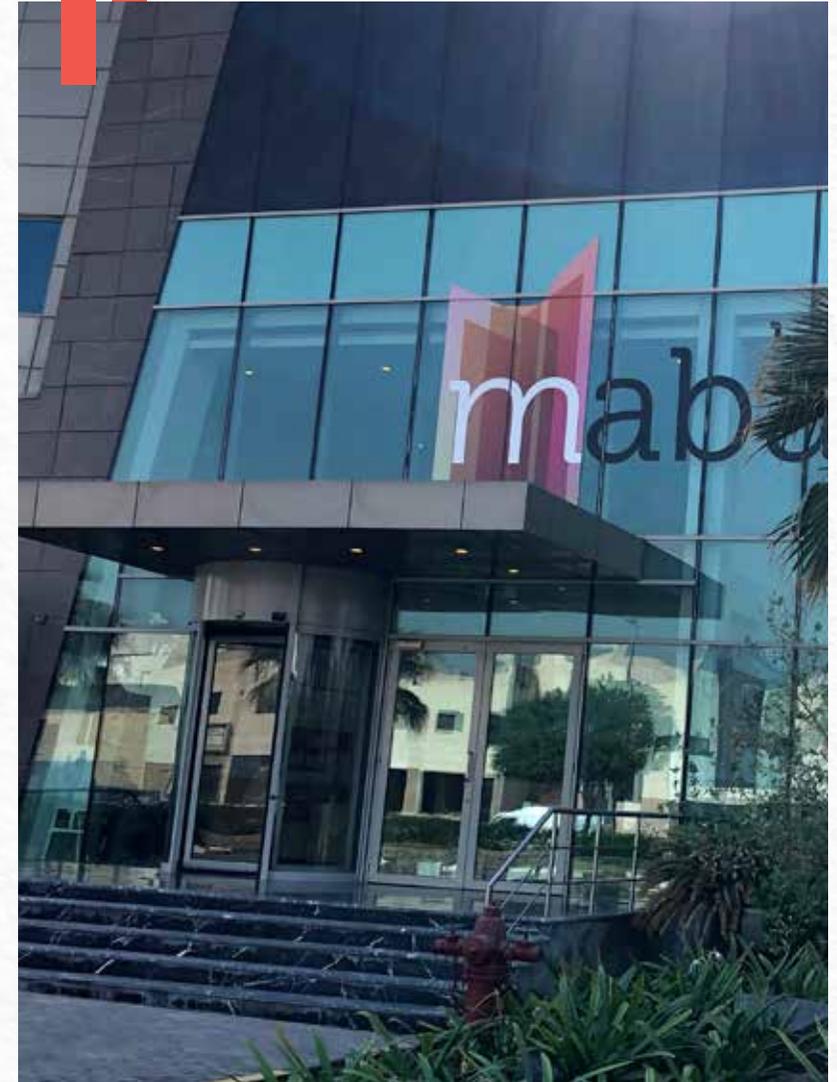
**Section 3
PROJECTS UNDER
DEVELOPMENT**



**Section 4
FINANCIAL
PERFORMANCE**

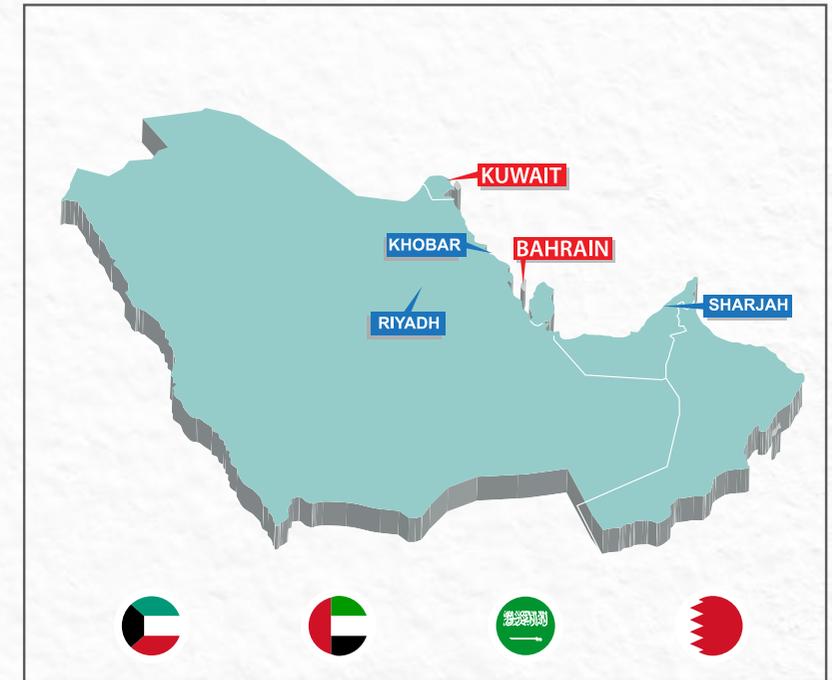
BUSINESS OVERVIEW

- Despite the ongoing pandemic, the combined nine month results is positive.
- Due to the mall's closure in **March 2020** and the safety measures enforced by the government, Mabaneer's **Q3 2020** net profit decreased to **KD 7.9m** (**Q3 2019** was **14.5m**) and **9M 2020** net profit decreased to **KD 9.5m** (**9M 2019** was **KD 42.3m**).
- **Mabaneer** is examining the feasibility of all its projects, considering the pandemic's existence and its continuing effects.
- **Mabaneer** will be among the index constituents which will be reclassifying Kuwait to the prestigious MSCI Emerging Markets Index complier by the end of **November 2020**.



MABANEE'S INVESTMENT STRATEGY

- The local and regional expansion of **Mabaneer** is the result of a strategic investment strategy focused on developing and managing projects in prime cities, as well as ensuring a consistent return on investment.
- **Mabaneer** has developed notable destinations and projects which include shopping, entertainment, leisure and hospitality in addition to residential as part of its expansion plans.
- **Mabaneer** ensures its success by following a thorough expansion strategy through direct investments or partnerships in cooperation with a group of leading Gulf investors.
- The Company aims to target new sectors such as hospitality, offices, residential and medical projects as well as developing sizeable projects that corresponds with the market and region's needs.
- **Mabaneer** will continue to target local **PPP** and **BOT** projects.



CONTENTS



Section 1
BUSINESS OVERVIEW &
STRATEGY



Section 2
OPERATIONAL
PROJECTS



Section 3
PROJECTS UNDER
DEVELOPMENT



Section 4
FINANCIAL
PERFORMANCE

KUWAIT

The Avenues

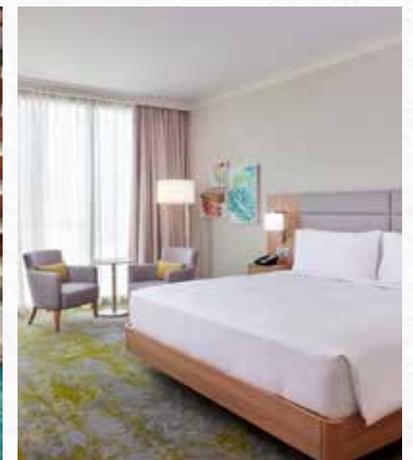
- Due to COVID-19, the Government announced five phases in which each has its own safety procedures and restrictions.
- As the country is slowly returning back to life with adherence to all safety measures, the mall's footfall rate continues to rise. However, it is still lower as compared to the same period last year.
- The Avenues issued a **50%** waiver for the months of **July** and **August 2020** to its tenants, which significantly impacted **Q3** results.
- The waivers have amounted to **KD 40m** until now.
- The current occupancy rate is at **94%** as of **September 2020**.



KUWAIT - HOTELS

Hilton Garden Inn

- Hilton Garden Inn opened its doors again to guests and visitors in **July 2020**.
- Due to travelling constraints as well as a number of factors impacted by COVID-19, the hotel is running at **21%** occupancy as of **September 2020**. The main traffic is on the weekends and is by local demand.



BAHRAIN

The Avenues

- The design of the second phase of The Avenues is complete.
- Restaurants have re-opened, with several restrictions such as reservations for outdoor dine-in and limiting the number of people indoors.
- The Company offered tenants the following as part of supporting them:
 - **50%** waiver for **March** and a full waiver for **April** and **May 2020** applied on the Base Rent only for all Tenants.
 - All rentals suspended for Cinema and entertainment effective **18th March 2020** till further notice.
- The current occupancy rate is **89%**, and is expected to increase to **92%**, by year end.
- The re-opening of cinemas and entertainment as well as the inauguration of the new airport will further impact business positively, however, no date has been specified in regards to the opening of each.
- Footfall witnessed a gradual increase during the summer months, in lower rates however compared to the same period, due to the ongoing pandemic and closing of the King Fahad Causeway.



CONTENTS



Section 1
**BUSINESS OVERVIEW &
STRATEGY**



Section 2
**OPERATIONAL
PROJECTS**



Section 3
**PROJECTS UNDER
DEVELOPMENT**



Section 4
**FINANCIAL
PERFORMANCE**

KUWAIT

Jaber Al-Ahmad

- **Mabaneer**, the Lead Developer of a Consortium of Companies comprised of National Industries Group and Privatization Holding Company, was selected as the "preferred investor" for the **J3** Jaber Al Ahmad Investment Opportunity from The Public Authority for Housing Welfare (PAHW).
- **Mabaneer** recently signed two agreements, a PPP Agreement between the PAHW and **J3** Company, and a Lease Agreement between PAHW and **J3** Company.
- Named after one of Kuwait's most beloved leaders, the Jaber Al-Ahmad project is one of the self-sustainable communities currently under development. Upon completion, the new city will be home to around **65,000** people, including **6,700** Kuwaiti families.
- The project, which costs **KD 156.3m** will include a retail **GLA** of **104,000 sqm** and **276** residential units.
- The comprehensive development will include modern architectural design in a community feel, with several facilities and services to accommodate its residents and visitors including parks, schools, and a retail component consisting of international retail and F&B brands.
- Construction is expected to commence in **Q3 2021**.



HOTELS

Waldorf Astoria Kuwait

- The hotel's construction is still ongoing with a progress rate of **74%**, as of **September 2020**.
- **Mabaneer** continues the recruitment process of the administration team of the hotel.
- The hotel is expected to open its doors in **Q3 2021**.

Hilton Garden Inn Bahrain

- Construction began in **Q2 2019** and is expected to be completed by the end of this year.
- Construction progress of the hotel is at **70%** completion, as of **September 2020**.
- The hotel is expected to open its doors in **Q1 2021**.



The Avenues – Riyadh

- The project is currently on hold due to the current situation, for a period of **6 months**.
- All third-party activities including contracting and financing are on hold as well.
- **Mabaneer** is performing a thorough comprehensive study to assess the project and decide on the best direction forward.

The Avenues - Khobar

- Governmental negotiations and approvals have all been completed.
- Currently in the financing stage, where negotiations are taking place with several banks.
- The project will stretch over **209,000 sqm** of land space and will include commercial and entertainment areas, as well as four towers that will house residential apartments, hotels, offices, medical facilities, exhibitions, ballrooms and conference halls.



KUWAIT & UAE

Salmiya Project

- A key development on the Arabian Gulf Street in Salmiya, a major urban center in Kuwait, on one of the last available sizeable land plots, benefiting of sea access and great connectivity.
- This will be **Mabaneer's** first mixed-use project outside of The Avenues and it will reflect new standards of design and experience.
- The concept and the feasibility of developing the **9,761 sqm** land is under a comprehensive study.

The Avenues - Sharjah

- The project is a strategic partnership with Shurooq; Sharjah Investment and Development Authority in the UAE.
- The Avenues - Sharjah will be strategically located on Sheikh Mohammed Bin Zayed Road, a major transport artery in the city, stretching over a land area of **65,000 sqm**.
- The project will entail the investment and development of **58,000 sqm** as a projected **GLA**.



Salmiya



The Avenues - Sharjah

CONTENTS



**Section 1
BUSINESS OVERVIEW &
STRATEGY**



**Section 2
OPERATIONAL
PROJECTS**

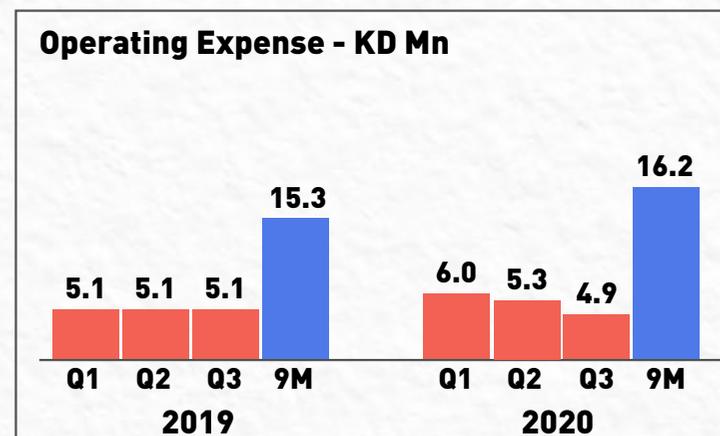
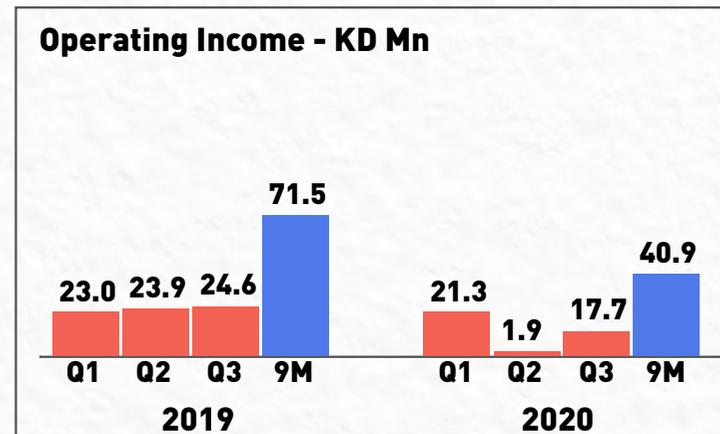
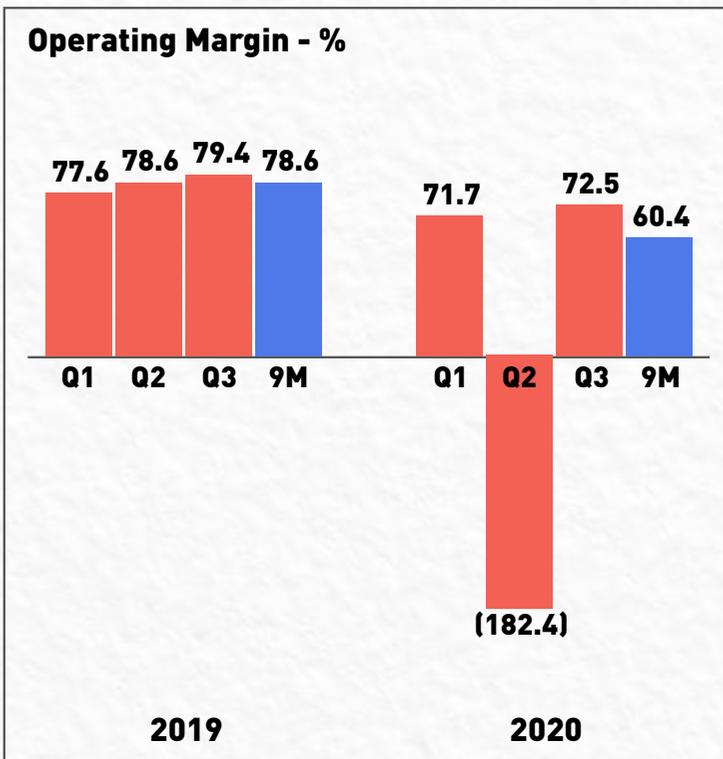


**Section 3
PROJECTS UNDER
DEVELOPMENT**

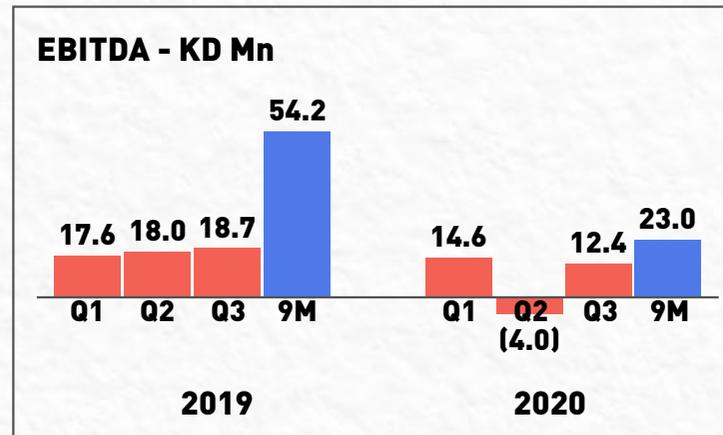
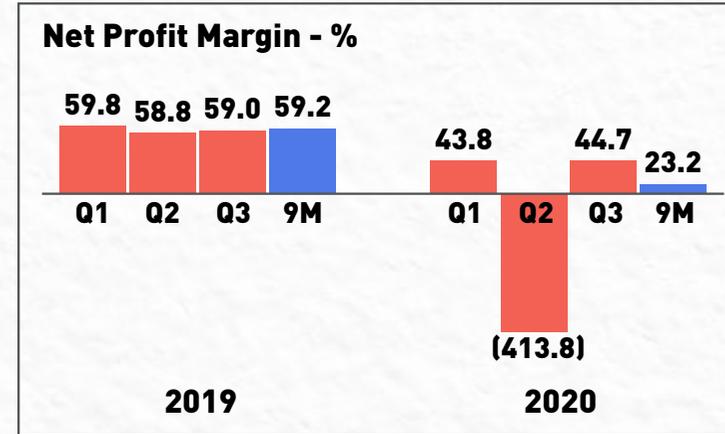
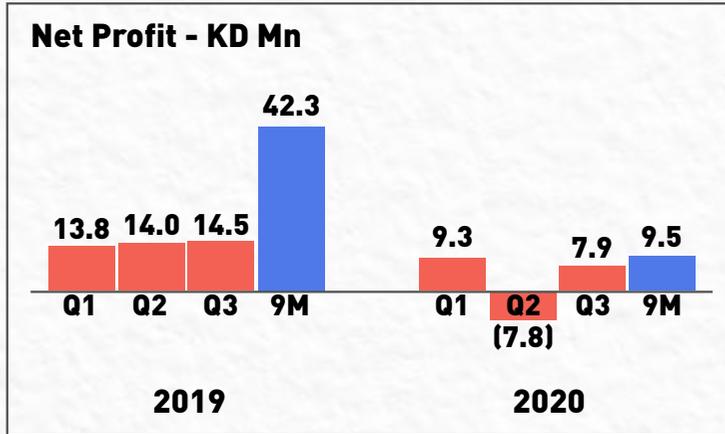


**Section 4
FINANCIAL
PERFORMANCE**

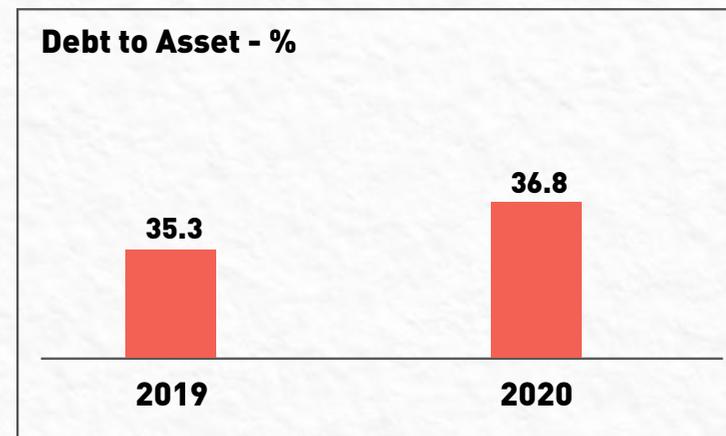
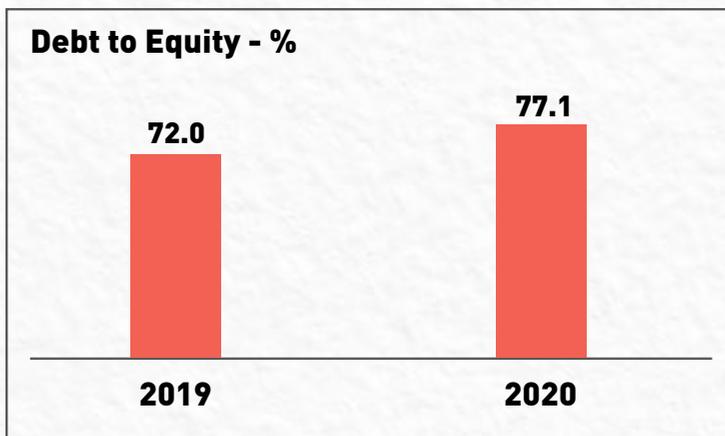
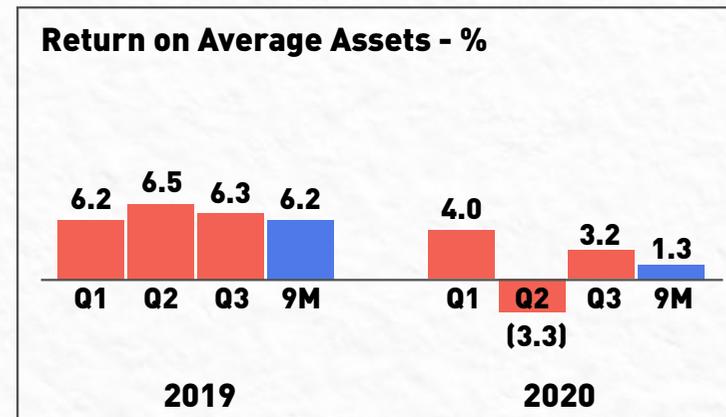
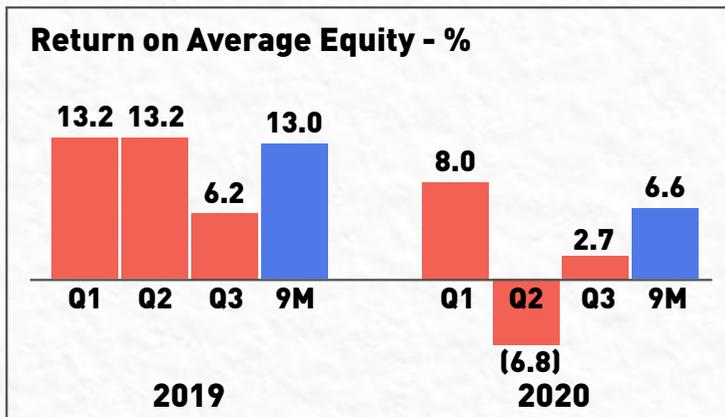
Financial Performance



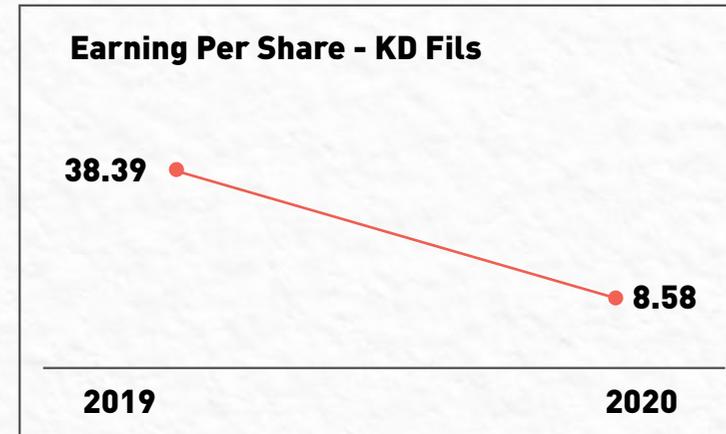
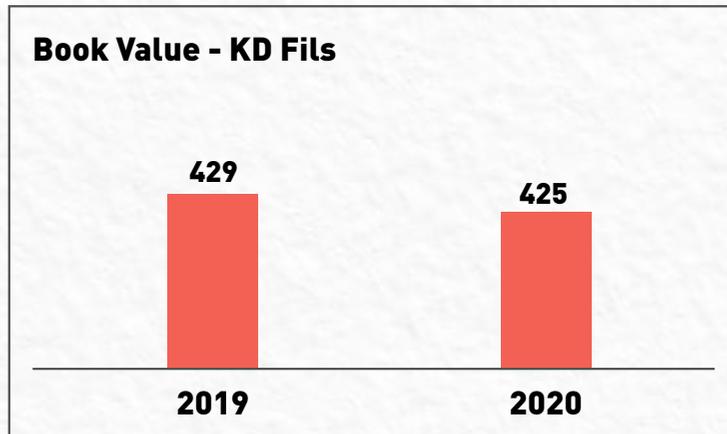
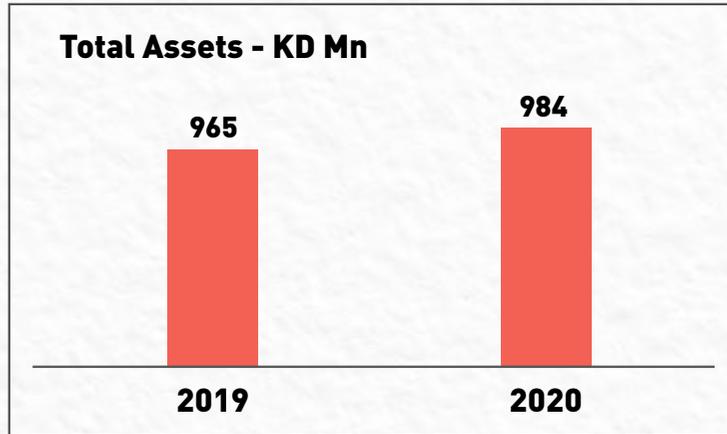
Financial Performance (Continued)



Financial Performance (Continued)



Financial Performance (Continued)



Consolidated Statement of Income

(Amount in KD)

Particulars	Financial Year - 3m		Variance		Financial Year - 9m		Variance	
	30-Sep-20	30-Sep-19	Amount	%	30-Sep-20	30-Sep-19	Amount	%
Revenue								
Investment properties revenue	17,198,043	24,580,625	(7,382,582)	(30)	39,281,108	71,463,420	(32,182,312)	(45)
Revenue from hotel operations	493,563	-	493,563	100	1,606,656	-	1,606,656	100
Total revenue	17,691,606	24,580,625	(6,889,019)	(28)	40,887,764	71,463,420	(30,575,656)	(43)
Cost of Revenue								
Investment properties expenses	(4,459,456)	(5,070,187)	610,731	(12)	(14,464,175)	(15,324,211)	860,036	(6)
Depreciation on investment properties	(2,749,420)	(2,443,146)	(306,274)	13	(8,248,235)	(7,272,028)	(976,207)	13
Hospitality operation's expenses	(768,015)	-	(768,015)	(100)	(2,793,401)	-	(2,793,401)	(100)
Total cost of revenue	(7,976,891)	(7,513,333)	(463,558)	6	(25,505,811)	(22,596,239)	(2,909,572)	13
Gross profit	9,714,715	17,067,292	(7,352,577)	(43)	15,381,953	48,867,181	(33,485,228)	(69)
Net investment gain	207,524	(163,089)	370,613	227	(235,177)	50,023	(285,200)	(570)
General and administrative expenses	(1,039,622)	(755,406)	(284,216)	38	(2,636,153)	(2,261,190)	(374,963)	(17)
Finance Costs	(1,014,624)	(1,004,393)	(10,231)	1	(3,698,403)	(2,596,579)	(1,101,824)	(42)
Other Income	258,674	(11,566)	270,240	2,337	767,013	161,409	605,604	375
Share of results from associate	106,192	-	106,192	100	194,444	(110,968)	305,412	275
Profit for the period before contribution to KFAS, NLST & Zakat	8,232,859	15,132,838	(6,899,979)	(46)	9,773,677	44,109,876	(34,336,199)	(78)
Contribution to KFAS, NLST & Zakat	(374,607)	(680,859)	306,252	(45)	(463,809)	(1,977,894)	1,514,085	(77)
Net profit for the period	7,858,252	14,451,979	(6,593,727)	(46)	9,309,868	42,131,982	(32,822,114)	(78)
Attributable to:								
Non-Controlling Interest	(53,207)	(54,281)	1,074	2	(165,010)	(177,721)	12,711	7
Equity holders of the parent company	7,911,459	14,506,260	(6,594,801)	(45)	9,474,878	42,309,703	(32,834,825)	(78)
Basic and diluted earning per share (KD fils)	7.16	13.14	(5.98)	(46)	8.58	38.39	(29.81)	(78)

Consolidated Statement of Financial Position - Assets

(Amount in KD)

Particulars	Financial Year			Variance	
	30-Sep-20	31-Dec-19	30-Sep-19	Amount	%
Assets					
Non-current assets					
Property, plant and equipment	127,307,024	4,649,241	3,144,026	122,657,783	2,638
Investment property	724,275,044	822,343,918	822,143,969	(98,068,874)	(12)
Investment in associates	34,763,922	30,658,604	29,383,347	4,105,318	13
Right of use of assets	2,639,492	2,234,872	1,080,177	404,620	18
Prepayments	8,590,375	8,503,698	-	86,677	1
Investments Securities	4,026,152	4,318,792	4,211,043	(292,640)	(7)
Total non-current assets	901,602,009	872,709,125	859,962,562	28,892,884	3
Current Assets					
Receivable from Associates	245,048	248,433	2,395,996	(3,385)	(1)
Accounts receivable and prepayments	28,221,911	19,557,940	17,434,015	8,663,971	44
Cash and bank balances	54,211,119	72,573,073	63,203,463	(18,361,954)	(25)
Total current assets	82,678,078	92,379,446	83,033,474	(9,701,368)	(11)
Total Assets	984,280,087	965,088,571	942,996,036	19,191,516	2

Consolidated Statement of Financial Position - Liabilities and Equity

(Amount in KD)

Particulars	Financial Year			Variance	
	30-Sep-20	31-Dec-19	30-Sep-19	Amount	%
Equity and Liabilities					
Equity					
Share Capital	110,509,397	104,254,148	104,254,148	6,255,249	6
Reserves	359,188,376	368,807,706	354,582,884	(9,619,330)	(3)
Total equity attributable to equity holders of the parent	469,697,773	473,061,854	458,837,032	(3,364,081)	(1)
Non-controlling interest	74,839,346	73,831,413	73,666,096	1,007,933	1
Total equity	544,537,119	546,893,267	532,503,128	(2,356,148)	(0)
Non-current Liabilities					
Provision for staff indemnity	2,602,241	2,366,432	2,487,376	235,809	10
Other non-current liabilities	23,418,289	23,454,231	23,260,602	(35,942)	(0)
Lease Liabilities	1,498,154	1,075,617	-	422,537	39
Long-term loans	4,000,000	7,000,000	8,000,000	(3,000,000)	(43)
Murabaha payables	309,475,724	278,104,920	287,503,306	31,370,804	11
Total non-current Liabilities	340,994,408	312,001,200	321,251,284	28,993,208	9
Current Liabilities					
Short-term loans	8,500,000	4,000,000	4,000,000	4,500,000	113
Murabaha payables	40,361,813	51,463,487	47,171,322	(11,101,674)	(22)
Lease Liabilities	121,986	105,854	-	16,132	15
Accounts payable and accruals	49,764,761	50,624,763	38,070,302	(860,002)	(2)
Total current Liabilities	98,748,560	106,194,104	89,241,624	(7,445,544)	(7)
Total Liabilities	439,742,968	418,195,304	410,492,908	21,547,664	5
Total Liabilities and Equity	984,280,087	965,088,571	942,996,036	19,191,516	2

Questions

Thank You

